

**Internal Audit Compliance Checklist**

**CARD GAMES  
WALKTHROUGH PROCEDURES**

Licensee: \_\_\_\_\_ Review Period: \_\_\_\_\_

NGC Regulation 6.090(15) requires the internal auditor to use “guidelines, checklists, and other criteria established by the Chair” in determining whether a Group I licensee is in compliance with applicable statutes, regulations, and Minimum Internal Control Standards (“MICS”). The use of this checklist satisfies these requirements.

Date of Inquiry	Person Interviewed	Position

Checklist Completion Notes:

- 1) Unless otherwise instructed, examine a completed document for compliance for those questions referring to records/documentation as indicated and recalculate where appropriate. Indicate (by tickmark) whether the procedures were confirmed via examination/review of documentation, through inquiry of personnel, or via observation of procedures. Tickmarks used are to be defined at the bottom of each page.
- 2) All “no” answers require referencing and/or comment, and should be cited as regulation violations, unless the Board Chair has granted a MICS variation or the question requires a “no” answer for acceptability. All “N/A” answers require referencing and/or comment, as to the reason the procedure is not applicable. All exceptions noted should be carried to the internal auditor’s report/summary of findings for timely follow-up.
- 3) “(#)” refers to the Minimum Internal Control Standards for Card Games, Version 9 or to the applicable regulation/statute.

Scope:

This checklist must be completed once in each fiscal year.

MICS Variations and Regulation Waivers:

Obtain copies of MICS variation and regulation waiver requests and NGCB correspondence regarding such requests from appropriate property personnel. Review to determine status of evidence of any waivers or alternative requirements imposed by granted variations. Modify and/or perform additional procedures as applicable.

Associated Equipment:

Determine if approval has been received for all associated equipment used in the card games department. For all unreported associated equipment, cite violations of **Regulation 14.260**. For associated equipment, perform a walkthrough of any additional controls on the use of the associated equipment which may be included in the written system of internal control.

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Date Approval Granted	MICS Number or Regulation	Description of Variation/Waiver Granted or Associated Equipment Approval	Number(s) of Procedure Modified or Added	W/P Ref. (if appl.)

**Note:** Variations/waivers and associated equipment need only be scheduled once. Refer to the workpaper where the details are scheduled and complete the last two columns of the above grid if walk-through procedures are affected.

Questions	Yes	No	N/A	Comments, W/P Reference
1. Review prior internal audit reports. Schedule any relevant exceptions cited, including those cited by the NGCB or the CPA, or include a copy of the prior audit reports in the workpapers and follow up on any problems noted. Duplication of exceptions when the CPA is referring to exceptions reported in internal audit reports is not necessary.				
2. Complete the CPA MICS Compliance Checklist for Card Games in accordance with the CPA MICS Compliance Reporting Requirements "Guidelines" and Internal Audit Reporting Requirements "Guidelines".  <b>Note:</b> A CPA MICS Compliance Checklist for Card Games is also to be completed when Card Games is offered as a contest/tournament, promotional Card Games, or free game to the public.				

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Questions	Yes	No	N/A	Comments, W/P Reference
<b>Card Games Rake-Off/Time Buy Ins</b>				
3. Does each card table have one card game drop box with a drop slot located at least four inches in front of the table tray, and to the right thereof, or drop slot located at least two inches to the right of and even with the top right-hand corner of the table tray with a cover over the drop slot, which when activated will cause the rake to drop directly into the drop box? <b>Regulation 23.025</b>				
4. Are cash or chips received for the sale of stakes not commingled with any rake-offs or other compensation received by the licensee from the players for the right to play? <b>Regulation 23.030</b>				
5. Are rake-offs limited to 10% of all sums wagered in the hand? <b>Regulation 23.050</b>				
6. Are rake-offs only pulled from the pot by the dealer in an obvious manner after each wager and call or at the completion of the hand? <b>Regulation 23.050</b>				
7. Is the rake-off placed in a designated rake circle? <b>Regulation 23.050</b>				
8. Does the rake then remain in the designated rake circle until a winner is declared and paid, and then dropped into the card game drop box? <b>Regulation 23.050</b>				
9. Is the rake circle clearly visible to all players and located as required in <b>Regulation 23.025</b> ?				

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10. Are all time buy-ins or other fees charged, immediately placed into the card game drop box? <b>Regulation 23.050</b>				
<b>Walkthrough of Drop and Count Procedures</b>				
11. Per discussions and/or examination of the drop box release key control log (if applicable), is the drop performed only at the submitted times, even when game activity concludes prior to that time? <b>Regulation 6.130</b>				
12. Are all card game tables and corresponding drop boxes permanently numbered and visible at a distance of twenty feet? <b>Regulation 23.025</b>				
13. Are the marker buttons removed only by the dealer after the transaction has been completed? <b>Regulation 23.040</b>				
14. If there is no card room bank, has the licensee updated the written system of internal control to indicate a casino cage is used in lieu of a card room bank? <b>Regulation 6.090</b>				
15. Are card room banks used exclusively for the purpose of the issuance and receipt of shill funds, the maintenance of card table banks used in card games, and the purchase and redemption of chips by players? <b>Regulation 23.045</b>				

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Questions	Yes	No	N/A	Comments, W/P Reference
16. Are all card table banks used only for the purpose of making change or handling player buy-ins? <b>Regulation 23.045</b>				
<b>Shills/Proposition Players</b>				
17. Are shills restricted from checking and raising or playing in any manner between themselves or in collusion with others to the disadvantage of other players within the game? <b>Regulation 23.065</b>				
18. Is a sign displayed that is legible from each table which states: "Nevada Gaming Regulations allow the use of shills and proposition players. Shills and proposition players shall be identified by management upon request"? <b>Regulation 23.065</b>				
19. Are employment records maintained on each individual engaged as a shill or proposition player? <b>Regulation 23.065</b>				
20. Is a list of all shills and proposition players maintained at the card room bank and readily available for inspection? <b>Regulation 23.065</b>				
21. Are procedures maintained which ensure that all advances to a shill and winnings of a shill shall be utilized only for wagering in card games and are turned into the card room bank at the conclusion of play? <b>Regulation 23.065</b>				

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22. Are persons who participate in the management or supervision of games subject to <b>Regulation 23</b> permitted to act as a skill or proposition player in the establishment where employed only when supervision is otherwise provided? <b>Regulation 23.065</b>				
23. Does the licensee provide that:				
a) No more than two proposition players may play in a card game and no more than a combination of four skills and proposition players may play in a card game? <b>Regulation 23.065</b>				
b) Skills may only wager chips or coins? <b>Regulation 23.065</b>				
c) No dealer may wager in any game in which he is dealing? <b>Regulation 23.070</b>				
d) No stakes players are utilized? <b>Regulation 23.070</b>				
<b>Card Games Rules</b>				
24. Are the rules of each game posted and clearly legible from each table? <b>Regulation 23.080</b>				
25. Do the posted rules designate the following: The maximum rake-off percentage, time buy-in, or other fees charged, the number of raises allowed, the monetary limit of each raise, the amount of ante, and other rules as may be necessary? <b>Regulation 23.080</b>				

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Questions	Yes	No	N/A	Comments, W/P Reference
26. If credit is issued to card game players, is credit play not deducted from gross revenue? <b>Regulation 6.120(1)</b>				
<b>Surveillance</b> 27. Is adequate video surveillance provided over the card games area? <b>Regulation 5.160(6) and Surveillance Standard #3</b>				
<b>Free Play and Promotional Items</b> 28. If free play including drawings and giveaway programs, or promotional items are <u>currently</u> being offered, is the accounting treatment proper? <b>NRS 463.0161, NRS 463.3715 and Regulation 6.110</b>				
<b>Contest and Tournament Items</b> 29. If contests and/or tournaments are <u>currently</u> being offered, is revenue properly reported? <b>NRS 463.0161, NRS 463.3715, and Regulation 6.110</b>				
<b>In-house Progressive Payoff Schedules</b> 30. Scan progressive meter readings, including those offered in conjunction with a card games tournament, contest or promotion, for the most recent two weeks and determine that:  a) The base amount of each progressive payoff is recorded pursuant to <b>Regulation 5.110(2)</b> (the base amount should be recorded when first exposed for play and subsequent to each payoff).				

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Auditor's Name and Date

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Questions	Yes	No	N/A	Comments, W/P Reference
b) The amount of each progressive payoff schedule is recorded at least one time daily. <b>Regulation 5.110(2)</b>				
c) The payoff amount has increased since the prior recording [unless related to reasons allowed pursuant to <b>Regulation 5.110(4), Regulation 5.110(5) and (6)</b> ].				
d) The payoff amount on the progressive payoff schedule has not been decreased except as allowed by <b>Regulation 5.110(5)</b> . (Any reduction should be supported by appropriate documentation pursuant to Regulation 5.110(2) and 5.110(5), such as a notation of a payoff form number, a meter repair slip, etc.).				
e) Changes in the rate of progression are documented pursuant to <b>Regulation 5.110(3)</b> . If no changes are detected, inquire with licensee personnel to determine if they would document such changes.				
<b><u>Procedures Modified or Added:</u></b>				

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